GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4086
ANSWERED ON:10.08.2017
Expansion by Air India Express
Ering Shri Ninong;Scindia Shri Jyotiraditya Madhavrao

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India Express has recently prepared a vision document to expand its fleet and flight services to more foreign destinations;

(b) if so, the details thereof;

(c) whether Air India Express is incurring profit whereas national carrier has been in the red for long; and

(d) if so, the details of the strategies formulated or proposed to ensure that national carrier also become profitable on the lines of Air India Express?

Answer

The Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a) & (b): Air India Express (a wholly owned subsidiary of Air India) has engaged the services of external consultants to make their recommendation in connection with long term fleet and network plan for the airline. ;
;
(c): Yes, Madam. Air India Express has achieved net profit in the past two financial years. Air India has been suffering Net Losses over the past many years. However, these losses have been gradually coming down and in the FY 2015-16, the company has posted a moderate Operating Profit.;
;
(d): Government had approved a Turnaround Plan (TAP)/Financial Restructuring Plan (FRP) for operational and financial turnaround of Air India. The TAP/FRP provides equity infusion of Rs.30231 crores upto 2021 subject to achievement of certain milestones as laid down in the TAP/FRP. The Company has made substantial progress in both Operational as well as Financial areas as per the TAP Milestones.

As a part of the Turnaround Strategy for Air India Limited, the Company, with overall support of the Government, has initiated a number of steps in order to cut costs and losses. These steps, inter-alia, include the following :-
;
i) Route rationalisation of erstwhile AI I& IA routes and elimination of route network involving parallel operations.

ii) Rationalisation of certain loss making routes.;

iii) Enhanced utilisation of new fleet resulting in production of higher Available Seat Kilometers (ASKMs).

The above cost reduction steps coupled with the implementation of the TAP/FRP has resulted into an improved performance as the company is showing a turnaround on both operational and financial parameters.